



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

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April 19, 2010

Ms. Amy B. Henry
NEPA Specialist
Tennessee Valley Authority
400 West Summit Hill Drive
Knoxville, Tennessee 37902

Subject: EPA NEPA Review Comments on TVA's DEIS for "Douglas and Nolichucky Tributary Reservoirs Land Management Plan"; Cocke, Greene, Hamblen, Jefferson and Sevier Counties, TN; CEQ #20100067; ERP #TVA-E65088-TN

Dear Ms. Henry:

The U.S. Environmental Protection Agency (EPA) has reviewed the subject Tennessee Valley Authority (TVA) Draft Environmental Impact Statement (DEIS) in accordance with our responsibilities under Section 102(2)(C) of the National Environmental Policy Act (NEPA) and Section 309 of the Clean Air Act. In this DEIS, TVA proposes to develop a Douglas and Nolichucky Tributary Reservoirs Land Management Plan (DNTRLMP, RLMP or Plan) to guide land use decisions for approximately 3,191 acres of public lands under TVA's control located around Douglas Reservoir (French Broad River) and Nolichucky Reservoir (Nolichucky River) in northeastern Tennessee.

Alternatives

Of the 3,191 acres of land being considered around Douglas and Nolichucky Reservoirs, 2,734 acres have been previously (and will continue to be) committed by TVA since 1965, while 457 acres of land remain uncommitted with no RLMP. Alternative A (*No Action Alternative*) would continue this current approach while action Alternative B (*Proposed Land Use Alternative*) and Alternative C (*Modified Proposed Land Use Alternative*) would establish an RLMP for the Douglas and Nolichucky Tributary Reservoirs and allocate the remaining 457 acres (28 parcels) to various allocation zones. Similar to other TVA RLMPs, the zones available are: Zone 2 (Project Operations); Zone 3 (Sensitive Resource Management); Zone 4 (Natural Resource Conservation); Zone 5 (Industrial); Zone 6 (Developed Recreation); and Zone 7 (Shoreline Access). In addition to land allocations, TVA would conduct site-specific environmental reviews under all alternatives before TVA approval of any development or activity on the public lands (pg. 1-21).

It is noteworthy that Alternative A would not propose any parcels of land for Sensitive Land Management (Zone 3). In contrast, Alternatives B and C are more

environmentally responsible than A since they do propose allocation to Zone 3 as well as more parcels to Zone 4 and less to Zone 6. However, Alternatives B and C do not propose changes to Zones 2, 5 and 7 which would remain the same as for Alternative A (1,078 ac for Zone 2; only 3 ac for Zone 5; and 13 ac for Zone 7). Specifics for Alternatives B and C are as follows:

* Alternative B (Proposed Land Use Alternative) – Alternative B would allocate the remaining 28 parcels to Zones 2, 3, 4 or 6. This would result in some 50% of these parcels being allocated to Sensitive Resource Management (Zone 3) or Natural Resource Conservation (Zone 4), and some 16% allocated to Developed Recreation (Zone 6).

* Alternative C (Modified Proposed Land Use Alternative) – As a modification of Alternative B, Alternative C would allocate 15 parcels to more environmentally responsible zones than B would, resulting in some 53% being allocated to Sensitive Resource Management (Zone 3) or Natural Resource Conservation (Zone 4), and only 13% to Developed Recreation (Zone 6). Specifically, six parcels of land containing high quality wetlands that are allocated to Zones 4 or 6 under Alternative B would instead be allocated to Zone 3 under C. As such, Alternative C would be the most protective alternative of the three offered, since more lands would be allocated to Sensitive Resource Management (Zone 3: 696 ac for C vs. 621 ac for B) and Natural Resource Conservation (Zone 4: 988 ac for C vs. 980 ac for B), and less lands allocated to Developed Recreation (Zone 6: 413 ac for C vs. 496 ac for B) with its moderate development.

EPA Conclusions & Recommendations

EPA concurs with TVA's proposal to allocate all TVA-owned lands via an RLMP to upgrade Alternative A into Alternative B or C. We are pleased to note that TVA has identified a NEPA preferred alternative in the DEIS as opposed to deferring this decision to the Final EIS (FEIS). This presumably was feasible by gathering sufficient public comments during the scoping process prior to issuance of the DEIS, as well conducting field reviews. More importantly, we are pleased to find that Alternative C – which we believe to be the environmentally preferable alternative – was identified as the preferred alternative (pg. 1-29). EPA agrees with this decision and encourages the continued identification of Alternative C as the preferred alternative in the FEIS – and ultimately as the selected alternative in the prospective TVA Record of Decision (ROD).

EPA's primary concern with the DEIS is the uncertainty – even after prospective TVA approval of Alternative C in the TVA ROD – whether or not allocated lands could be re-allocated by TVA to environmentally lesser zones (e.g., from the Sensitive Resource Management Zone 3 to Industrial Zone 5) during site-specific reviews or public requests to the TVA Board of Directors (Board). EPA would not concur with re-allocations to such zones due to the increased potential for developmental impacts

intent to entertain or reject such public requests of the Board to change proposed allocations for specific parcels of land to more developmental zones. If the Board wishes to retain such discretion, the FEIS should fully discuss the expected likelihood of such re-allocations and identify any TVA policy, guideline or rationale forming the basis for such TVA decisions as well as any thresholds (e.g., limitations in the number or kinds of acres or parcels that might be re-considered). If the TVA Land Policy (App. A) or TVA's Shoreline Management Policy is referenced, specific policy criteria should be related to the decision. Overall, EPA believes that if the approved (TVA ROD) allocations of Alternative C can nevertheless still be minimized by public requests approved by TVA, the meaning and value of the present EIS would be significantly diminished. We look forward to additional FEIS clarification in this regard.

EPA DEIS Rating

Assuming that Alternative C is selected in the TVA ROD and the proposed allocations are finalized, EPA rates this DEIS as an "LO" (Lack of Objection). Otherwise, EPA would have environmental concerns about selection of a lesser environmental alternative and the uncertainty of potential re-allocations to environmentally lesser zones with attendant developmental impacts.

EPA appreciates the opportunity to review the DEIS. Should TVA have questions regarding our comments, please feel free to contact Chris Hoberg of my staff at 404/562-9619 or hoberg.chris@epa.gov.

Sincerely,



Heinz J. Mueller
Chief, NEPA Program Office
Office of Policy and Management